

Injured Veterans Grant Program Bill Senate File 2312

Last Action:

Senate Floor

March 21, 2006

Executive Summary Only

An Act providing grants on behalf of veterans seriously injured in a combat zone, providing an income tax exclusion, and including an effective date and retroactive applicability provision.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

SENATE FILE 2312 INJURED VETERANS GRANT PROGRAM BILL

BACKGROUND

- Establishes an Injured Veterans Grant Program within the Department of Veterans Affairs. Funds appropriated to the Department are for family member financial assistance grants up to \$10,000 in increments of \$2,500 at 30-day intervals when the presence or assistance of family members is necessary for seriously injured veterans sustaining a combat-related injury while serving in a combat zone or hazardous duty pay zone since September 11, 2001. The Department is required to adopt rules for the distribution of the grants.

INCOME TAX EXCLUSION

FISCAL IMPACT

- Grants received under this Program are excluded from the veteran's net income for purposes of taxation.
- The fiscal impact of the tax exclusion is estimated to be minimal.
- A General Fund appropriation of \$1.0 million was provided for the grants in HF 2080 (Veterans FY 2006 Supplemental Appropriations Act). House File 2080 was approved by the General Assembly on January 18, 2006, and signed by the Governor on January 23, 2006.
- Specifies that veterans injured after September 11, 2001, but prior to the effective date of the Bill, are eligible for repayment. Adds requirements for proof of medical care and rehabilitative services.

EFFECTIVE DATES

- The Bill applies retroactively to veterans seriously injured after September 11, 2001. The income tax exclusion portion of the Bill takes effect upon enactment and is applicable to tax years beginning on or after January 1, 2006.